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## THE DYNAMICS OF MOBILIZATION OF HUMAN RESOURCES

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The prerequisite of solving the problem of mobilization of human resources is that the forces operating should be understood. This does not mean that, even with an imperfect understanding of these forces, complete mobilization might not be approximated; but that, in order that the means may be best adapted to accomplish this, the nature of the problem must be comprehended, for which accurate knowledge concerning the forces at work is absolutely essential.

The use of money to marshal and direct them, causes them to be covered out of sight by the persistent illusion, most difficult to shake off, that money is itself that which gives the impulse. It is necessary therefore, first of all, to strip off this illusion. Unless thus simplified, the problem is well-nigh incapable of a solution satisfactory from a theoretical standpoint and the results from a practical standpoint must also be unsatisfactory. Resources could be marshaled, if there were no money.

It is worth while, since this paper is intended to be merely an introduction to the consideration of all the special phases of the problem before us, to consider somewhat closely how this force operates in ordinary times and with what result. Obviously it calls one sort of utility after another into existence, as the volume of the surplus food increases, so that more and more persons may be spared from food production to engage in supplying other wants. This brings about the complex and interdependent economic conditions with which we are already so familiar, although many phases of them are so very new that we really forget that life was ever a simpler thing, more closely associated with the cultivation of the soil.

The money which we use as a medium of exchange and, therefore, as a means of marshaling the forces and directing them in production, transportation, distribution and other activities, rests upon a commodity, used as a measure of value, which is demon-

strably of the nature of a "marginal utility"—that is, one of the utilities successively called into existence for the use of mankind and still kept in use by reason of the fact that, after supplying himself with other utilities which he esteems of greater importance for his well-being, he is able to afford them in turn. All such marginal utilities are susceptible of great changes in exchange value according as standards of living expand or contract. Such changes may range from no further demand for production of a given utility because of shrinkage in standard of living, to a demand increasing to such an extent that a price is willingly paid therefor, which causes the most unprofitable field, from the standpoint of the amount of product per unit of force expended, to be exploited.

One of the confusions which employment of money has introduced, is that it is often thought, because it creates so great a demand for the commodity which is used as its basis, that, even when all which can be supplied is in use, there is still an extraordinarily heavy demand for money, in consequence of which bills of exchange, bank notes and other devices are employed as forms of credit currency. Many have supposed that this fact tends to hold the value of the commodity used as a basis for money stable or very nearly so, but credits would be given, if there were no money.

It is not true, however, that the exchange value of money is stable. In fact, a general rise in prices could not possibly be explained except by assuming that what really takes place is the fall in price of the one commodity used as a basis for money. It is quite clear also, when the matter is considered narrowly, that the marginal utility employed as money must, in view of the failure of its volume to vary directly with the volume of the force actually at work to marshal human resources, vary in exchange value per unit in a manner roughly approximating the inverse of the ratio of its quantity to the quantity of the force actually operating.

This becomes evident, when we consider what is the primary force brought to bear in directing human resources to supplying human needs. The case stands thus: If there were but one man in the world, he would have to obtain the force necessary to enable him to supply other needs by first supplying his need for food; and the time and force which he would be enabled to apply to satisfying other wants, would be strictly limited by the surplus food which he could produce over that which he consumed while producing it. Given a

community, it is evident, also, that the time and force which they will be able to apply to producing commodities or services to supply wants, other than subsistence, will in like manner be strictly limited to the surplus food produced by those engaged in such production, over their own requirements while producing it.

If, therefore, in a nation cut off from other nations there were a change from producing food in amount over the requirements of those engaged in such production, to the condition that only by the entire population applying itself to food production could such population be sustained, the condition would be approximated that the country's money would have no value as respects mobilizing human resources and directing their energies to producing anything else. There might be much money, but there would be no such resources or energies to direct.

It may be argued with plausibility that, even though such condition were arrived at, there would exist many utilities already produced and money could and would be used in their exchange. But money would have lost its character as a medium of exchange by means of which human resources are mobilized and directed, because it would no longer command the forces called into being by a supply of food above the requirements of those engaged in producing food. It is this control which gives to money its general acceptability, not the mere fact that it is this commodity or that; if that were all, only those in need of that commodity would accept it. But, when one can, by thus commanding a portion of the surplus food product, direct how that force shall be employed in producing other commodities which he desires, he is of course able to purchase whatever is purchasable. When this quality disappears, the reason for money's general acceptability as money disappears and such acceptability vanishes with it.

These things are brought forward here, not to reason out their full significance in connection with our banking and credit system, but merely to strip off illusions which prevent most people from noting the forces operating. These forces, then, may be defined as follows: the food produced by those engaged in food production, beyond their food requirements while so engaged, is the energy transmuted into applying human force, both mental and physical, to supplying other wants. Its productivity may be increased by invention of labor-saving machinery and discovery of better processes

of production; but the amount of the force itself is strictly limited to this surplus food and its direction primarily rests in control over it. This fact has been rendered very plain during the present war, the outcome of which has more and more tended to depend on skillful mobilization and direction of human resources, primarily by means of enlarged food production per man engaged in such production and in addition by means of its skillful and economical distribution with the purpose of making the efforts of the nation more and more effective, both in offense and in defense.

The first problem encountered is a reduction in the volume of surplus food. It may be that this will not have its full, natural effect of reducing to merely nominal value one set of marginal utilities after the other, these being the ones which people most willingly do without if compelled to reduce their standard of living; for there may be, and indeed in modern times usually is, as a result of the tendency toward larger and larger production of surplus food, a considerable accumulation of surplus which has not been directed to the production of other utilities. This is possible because certain foods may be stored for a considerable time and also because methods of preserving other forms of food for considerable periods have been invented; there is, therefore, failure to divert to other forms of production all the human beings who could be supported by the whole volume of the surplus food. It is possible, and indeed almost inevitable, that this be somewhat slowed up in what may be called good times as compared with the increase in the production of surplus food which thus affords an accumulated surplus to act as a buffer to tide over downward fluctuations in production of surplus food which are of course inevitable; but when there is a sharp and big diminution, so that this accumulation either disappears or is very greatly reduced, it is necessary to reverse the process, *i.e.*, to enlarge food production and to reduce production of other utilities.

This being true, it is well to consider what takes place when a nation in these modern days goes to war. The phenomenon which immediately forces itself upon the attention is that a vast number of persons, some engaged in producing food and some in producing other utilities, are taken out of these occupations and set to work in the actual business of war, that is, in the military or naval service. These persons must be fed and supplied with other utilities needful for them that they may be in condition to perform the service re-

quired of them. From this it follows, first of all, that, unless still others are diverted from occupations which they are following to agriculture, there will be diminished production of surplus food, notwithstanding the fact that, until war begins to cut down the number of the population, there is as large a demand for surplus food as before, and indeed, taking into account the strenuous work which the men must do in such times, probably a considerably larger demand per person counted in units of nutrition. This necessity for diverting more persons to agriculture may be somewhat qualified by the invention of labor-saving machinery or its wider use; but, even so, in order that there may be the amount of primary force necessary to marshal the human resources for war, it is absolutely indispensable that there should be a considerable diversion of those who are engaged in other occupations to the occupation of agriculture. The very first move, therefore, after calling upon those so engaged for their quota to help carry on the war, must be to replace them in agriculture with persons who are not subject to military duty, and also to increase the number so engaged.

Up to this point no doubt there would scarcely be any difference of opinion; neither can there be difference of opinion as to the absolute necessity for diverting men to industries engaged in producing, transporting and distributing munitions of war of all kinds. This is likewise necessary and even those who have not given careful thought to the fundamentals of the subject understand it quite well.

This involves a sharp and sweeping reduction in the production of marginal utilities of sorts that can best be dispensed with. It calls for great reduction in the standard of living because such standard of living consists first, of the maintenance of life by food and second, of the consumption of a share of all the other utilities which are called into existence by the application of surplus food applied to the maintenance of men at work in producing other utilities. When the men engaged in producing these utilities are so greatly reduced in numbers by transferring many of them to military and naval service, to producing munitions and to agriculture, it follows necessarily that the standard of living must fall and marginal utilities that can best be dispensed with, must no longer be produced.

This process, when operating in a moderate degree, as when a nation is not at war, is attended with much distress of which the outcry against what are known as hard times, whether occasioned

by the breakdown of a banking system or by failure of crops, is an example. But when a nation is engaged in war, adjustment is even more difficult because the necessity for it is not brought home to every person by diminution of his purchasing power, which is the exact effect of the reduction in surplus food or in control over it, which results in hard times. On the other hand war takes hold of the matter from the opposite direction, viz., by directly applying the forces maintained by the surplus food to the production of other utilities than those with which the wants of the community, aside from food, have hitherto been supplied.

Therein lies the peril of leaving the adjustment as regards mobilization of human resources to the play of money's control over that which it in fact represents, viz., surplus food. Men with money do not at once see, as in ordinary hard times, the necessity for retrenchment in personal expenditures. In ordinary hard times they see this because they have not the money, while in these times they may have the money and yet the public necessity exists that there should be retrenchment.

To put it another way, in ordinary hard times a reduced production of marginal utilities can be brought about quickly enough for all purposes through the falling off of the purchasing power as regards utilities least desired; but the sudden, convulsive change of conditions owing to the country's engaging in war calls rather for community consideration as to what marginal utilities should be struck off. Therein are both the distinction and the occasion for looking below the surface to see the forces really at work before determining what utilities should be suppressed. If this were not done, the preferences of many of those who have the power to supply their wants, however unessential such wants may be, would be exerted to make it exceedingly profitable to minister to these wants, which would be disastrous to a nation under the stress of war.

It seems entirely clear, from a purely theoretical standpoint, that there are many very expensive utilities of a marginal character not at all essential to the real well-being of a people and even in many cases very deleterious, which nevertheless come to have so great a hold upon them that it is difficult to shake loose this hold. First among these are the habit-forming drugs, beverages, foods and amusements.

Careful consideration should be given, as regards several of

these, as to whether they are not really diseases of civilization instead of utilities at all. As regards drugs, there is no doubt; as to alcohol, little question. Even in ordinary times its inutility, as compared with other substances, has come to be recognized and its deleterious effects are also widely recognized. It is produced by direct transformation of what would otherwise be food; that is, its production calls for the expenditure of the very force which enables mankind to enlarge its standard of living. Accordingly, a good deal has been done in all countries to limit or to prohibit the use of alcoholic beverages.

On the other hand, a larger portion of the cultivated land of our country will be devoted in 1918 to the production of tobacco than in any previous year; the government has just taken over for the use of soldiers and sailors, the entire product of a great tobacco factory. Yet tobacco involves a quadruple loss of force, viz., the application of a large amount of labor; the use of vast tracts of land which could be devoted to the production of food; a very large waste involved in the manufacture, transportation and distribution; and a not inconsiderable diminution of the force of those who consume the tobacco. That there is such impairment of efficiency owing to its use is perfectly well understood by trainers of athletes.

Neither our labor power nor our land is applied to the production of tea or coffee; but a large amount of each is devoted to producing commodities which are exchanged for them. These in turn have little food value. These habits, already formed, will doubtless persist in greater or less degree; but it should be recognized that they stand in the way of successful prosecution of war and, in times of peace, in the way of an enlargement of the things essential to the best standard of living.

Habit-forming amusements are also very costly, enervating and destructive. The passion for entertainment, as if ever to know a serious moment were irksome and void of joy, is a weakness which causes many tens of thousands, supported by this surplus food, to expend their energies in ways which do not make for mobilization of our powers.

Other forms of waste may not be so obvious; but some of them can be pointed out and perhaps can be more readily obviated than these. There is, for instance, the purchase of articles not for their

use but for ornament, a vast amount of labor being applied to make them especially rich and costly. It ought to be unfashionable to indulge in these and their production should cease.

Processes of production, transportation and distribution should be simplified and rendered less costly. As regards production, great strides have been made to eliminate waste. Under transportation enormous loss of power is being eliminated everywhere. There is still, however, as much waste as ever in distributing commodities. Special attention ought to be given to avoiding forcing commodities upon purchasers. The greatest of these wastes is advertising, which has become almost as much a disease as habit-forming drugs and beverages. It enormously adds to the prices of commodities without increasing their utility. Many who are so employed could be exceedingly useful to the country in the war. There is also much labor wasted in printing these advertisements and producing ink and paper. There ought, on patriotic grounds, to be an effective boycott against articles sold by advertisers who seek to maintain "Business as Usual."

Another great waste is in personal service. The maintenance of expensive households or what is quite as bad, tremendous hostilities on a most extravagant scale is an inexcusable diversion of human labor, supported by the surplus food, from the production of utilities or services of importance in these critical times.

There must be a clear understanding by all, that, whatever it may seem to be when one looks through the colored glasses of mere money expenditure, *the consumption of utilities of any sort, whether commodities or services, which are not actually essential, is an unpatriotic thing.* It draws upon the diminishing stock of surplus food to provide maintenance for men and women in occupations necessary to produce, transport and distribute such non-essential commodities or provide such unnecessary service, who might and would, if there were not this effective call for their services, be employed either in production of food, of munitions or of other commodities essential to the nation's welfare or in necessary service to support the nation. In other words, all such waste is unpatriotic, which would be clearly seen did the actual nature of what takes place appear without the camouflage that one is merely spending his own money in his own way.

An accurate comprehension, therefore, of the true nature of the

forces operating would tend both to enable us to deal more effectually, because more intelligently, with the mobilization of our human resources and to make the people of the country, appreciating these things at their true value, recognize the desirability of such mobilization, and coöperate even beyond the requirements of law in bringing all possible resources, both in human resources directly and in the utilities which human resources produce, to the support of our government in its struggle to maintain the liberties of mankind.

## SELF OWNING TOWNS

BY LAWSON PURDY,

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Great Britain has spent about \$700,000,000 housing workers in Great Britain.<sup>1</sup> I came near saying workmen, but it is not—it is housing men and women and families as well as single men and single women. See the effect on the physical appearance of the workers of what Great Britain has done, and beside that see the spirit in which it is done and the moral effect upon those men and women working in those towns of the fact that those towns are theirs, built not by a private enterprise for them but by the state for them; and probably after the war is over in Great Britain those towns are going to be considered self owning towns. They are not going to be sold to separate owners and spoiled, but probably turned over to such societies as those that have built Letchworth and Hampstead and made coöperative towns. Perhaps they will be turned over to the municipalities that now under the British Legislation have certain powers of constructing dwellings and maintaining them for the people who live within those towns.

Under the circumstances that now confront us the United States must pay a very large share of the cost of what we do here, and, should the war continue as long as we think it may, the \$50,000,000 that is now proposed to be spent by the Labor Department, and the \$50,000,000 to be spent by the Shipping Board I hope is only a begin-

<sup>1</sup> For what Great Britain has done see some of the articles in the *Journal of the American Institute of Architects*.